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**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

In re:

PG&E CORPORATION,

- and -

PACIFIC GAS AND ELECTRIC COMPANY,

Debtors.

Case No. 19-30088 (DM)

Chapter 11

(Lead Case)

(Jointly Administered)

**STIPULATION BY AND AMONG
REORGANIZED DEBTORS AND
CLAIMANTS LAURA CARLSEN
REILLY AND JASON CARLSEN**

- ☐ Affects PG&E Corporation
☐ Affects Pacific Gas and Electric Company
☒ Affects both Debtors

** All papers shall be filed in the Lead Case,
No. 19-30088 (DM).*

1 PG&E Corporation (“**PG&E Corp.**”) and Pacific Gas and Electric Company (the
2 “**Utility**”), as debtors and reorganized debtors (collectively, the “**Debtors**” and as reorganized
3 pursuant to the Plan,¹ the “**Reorganized Debtors**”) in the above-captioned cases (the “**Chapter**
4 **11 Cases**”), on the one hand, and Laura Carlsen Reilly (“**Reilly**”) and Jason Carlsen (“**Carlsen**”)
5 (“**Claimants**,” and together with the Reorganized Debtors, the “**Parties**”), on the other hand, by
6 and through their respective counsel, hereby submit this stipulation (the “**Stipulation**”) for an
7 order modifying the Plan Injunction (as defined below) to permit Claimants to prosecute a pending
8 lawsuit to liquidate their claims against the Utility. The Parties hereby stipulate and agree as
9 follows:

10 **RECITALS**

11 A. On December 14, 2018, Claimants filed in the Superior Court of California, County
12 of San Francisco (the “**State Court**”) a complaint (the “**Complaint**”) in which they asserted
13 personal injury and other claims against PG&E Corp. and the Utility. The action initiated by the
14 Complaint is currently pending in the State Court, and is titled *Laura Carlsen Reilly and Jason*
15 *Carlsen v. PG&E Corporation et al*, Case No. CGC-18-572108 (the “**State Court Action**”).

16 B. On January 29, 2019 (the “**Petition Date**”), the Debtors commenced these Chapter
17 11 Cases in the United States Bankruptcy Court for the Northern District of California (the
18 “**Bankruptcy Court**”).

19 C. On September 17, 2019, Reilly filed timely Proof of Claim No. 9146 and Carlsen
20 filed timely Proof of Claim No. 9150 (collectively, the “**Utility Proofs of Claim**”), against the
21 Utility, seeking to recover on account of the claims asserted in the Complaint. Reilly and Carlsen
22 additionally filed Proof of Claim Nos. 9078 and 9081, respectively, against PG&E Corp., seeking
23 to recover on account of the claims asserted in the Complaint (collectively, the “**PG&E Corp.**
24 **Proofs of Claim**”).

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26 ¹ Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in
27 the *Debtors’ and Shareholder Proponents’ Joint Chapter 11 Plan of Reorganization Dated June*
28 *19, 2020* (as may be further modified, amended or supplemented from time to time, and together
with any exhibits or schedules thereto, the “**Plan**”).

1 D. By Order dated June 20, 2020 [Dkt. No. 8053] (the “**Confirmation Order**”), the
2 Bankruptcy Court confirmed the Plan. The Effective Date of the Plan occurred on July 1, 2020. *See*
3 Dkt. No. 8252.

4 E. Sections 10.5 and 10.6 of the Plan and Paragraphs 51 and 52 of the Confirmation
5 Order establish the “**Plan Injunction**,” which supersedes the automatic stay in most respects and
6 expressly prohibits (1) commencing, conducting, or continuing in any manner, directly or indirectly,
7 any suit, action, or other proceeding of any kind with respect to any pre-petition claims against the
8 Debtors or Reorganized Debtors, and (2) any effort to enforce, collect or recover on any judgment
9 based on any pre-petition claims.

10 F. Section 4.23 of the Plan, entitled “**Class 4B: Utility General Unsecured Claims**”
11 (emphasis in original), provides for the following treatment for Utility’s general unsecured claims:

12 In full and final satisfaction, settlement, release, and discharge of any Allowed Utility
13 General Unsecured Claim, except to the extent that the Debtors or Reorganized Debtors, as
14 applicable, and a holder of an Allowed Utility General Unsecured Claim agree to a less
15 favorable treatment of such Claim, on the Effective Date or as soon as reasonably practicable
16 thereafter, but in no event later than thirty (30) days after the later to occur of (i) the Effective
17 Date and (ii) the date such Claim becomes an Allowed Claim, each holder of an Allowed
18 Utility General Unsecured Claim shall receive Cash in an amount equal to such holder’s
19 Allowed Utility General Unsecured Claim. The Allowed amount of any Utility General
20 Unsecured Claim shall reflect all interest accrued from the Petition Date through the date of
21 distribution at the Federal Judgment Rate.

22 Section 4.23(b) of the Plan provides that “Utility Unsecured Claims are Unimpaired.”

23 G. By Amended Order Disallowing and Expunging Proofs of Claim Pursuant to
24 Reorganized Debtors’ Fifth Omnibus Objection to Claims (Duplicate Claims), entered September
25 25, 2020 [Dkt. No. 9150] (the “**Claims Disallowance Order**”), the Bankruptcy Court disallowed the
26 PG&E Corp. Proofs of Claim on the basis that they were filed against the incorrect debtor entity.
27 The Claims Disallowance Order did not affect the Utility Proofs of Claim, which remain pending.

28 H. Claimants acknowledge that the claims that are the subject of the Utility Proofs of
Claim are: (i) pre-petition claims that are disputed, contingent and unliquidated; (ii) recoverable
solely as General Unsecured Claims in accordance with the Plan; and (iii) currently enjoined by the
Plan Injunction from prosecution in the State Court Action.

1 I. On August 9, 2021, and September 24, 2021, the Parties attempted to resolve the
2 claims that are the subject of the Utility Proofs of Claim through mediation pursuant to the
3 Bankruptcy Court's September 25, 2020 *Order Approving ADR and Related Procedures for*
4 *Resolving General Claims* [Dkt. No. 9148]. The mediation was unsuccessful.

5 **NOW, THEREFORE, UPON THE FOREGOING RECITALS, WHICH ARE**
6 **INCORPORATED AS THOUGH FULLY SET FORTH HEREIN, IT HEREBY IS**
7 **STIPULATED AND AGREED, BY AND AMONG THE PARTIES, THROUGH THE**
8 **UNDERSIGNED, AND THE PARTIES JOINTLY REQUEST THE BANKRUPTCY COURT**
9 **TO ORDER, THAT:**

10 1. Upon the date of the entry of an order approving this Stipulation, the Plan Injunction
11 shall be modified, solely to permit Claimants to liquidate the claims against the Utility asserted in
12 the Utility Proofs of Claim by prosecuting the State Court Action through final judgment and any
13 appeals thereof, but not to permit enforcement of any such judgment, which judgment, if any, shall
14 be recoverable solely as an unimpaired General Unsecured Claim in accordance with the Plan and
15 through the claims reconciliation process in these Chapter 11 Cases.

16 2. Upon the date of the entry of an order approving this Stipulation, this Stipulation shall
17 be deemed an objection by the Reorganized Debtors to each of the Utility Proofs of Claim, and each
18 Utility Proof of Claim shall be considered a Disputed Claim. Each Utility Proof of Claim shall be
19 deemed an Allowed Claim on the earlier of (a) the date on which the Utility Proof of Claim becomes
20 an Allowed Claim pursuant to written agreement between the claimant and the Reorganized Debtors,
21 or (b) forty-five (45) days after one of the Parties files notice in the Bankruptcy Court that a
22 judgment liquidating the underlying claim has been entered in the State Court Action and all appeals
23 from such judgment have been concluded or the time to appeal has expired, provided that if, as
24 permitted by paragraph 4(a) hereof, the Reorganized Debtors further object to the Utility Proof of
25 Claim on any specific grounds not adjudicated by a final judgment in the State Court Action, the
26 Utility Proof of Claim shall remain Disputed and shall not be Allowed without further Order of the
27 Bankruptcy Court.
28

1 3. Within 45 days of the date of the entry of an order approving this Stipulation, (i)
2 Claimants shall cause the dismissal with prejudice of PG&E Corp. from the State Court Action; (ii)
3 the Utility shall file a responsive pleading to the Complaint in the State Court Action.

4 4. Nothing herein is intended, nor shall it be construed, to be
5 a. a waiver by the Reorganized Debtors, of any right to object to the Utility
6 Proofs of Claim on any specific grounds not adjudicated by a final judgment
7 in the State Court Action, or
8 b. a waiver by Claimants of their rights to oppose any asserted challenge to any
9 Utility Proof of Claim, or
10 c. a waiver by Claimants of a right to a jury trial or to seek withdrawal of the
11 reference to the District Court to any asserted challenge to any Utility Proof of
12 Claim, or
13 d. a waiver by any Party of any claim or defense in the State Court Action, all of
14 which are preserved.

15 5. For purposes of the conduct of the State Court Action, the Parties through their
16 counsel may enter into other stipulations in or with regard to the State Court Action, including
17 without limitation stipulations relating to discovery matters, motion practice, the form or
18 presentation of evidence, or the conduct of the trial. Such stipulations shall be enforceable by the
19 State Court (not the Bankruptcy Court) in accordance with statutes, rules, and procedures applicable
20 to the State Court Action.

21 6. In the event that the terms of this Stipulation are not approved by the Bankruptcy
22 Court, it shall be null and void and have no force or effect, and the Parties agree that, in such
23 circumstances, this Stipulation (including statements in the Recitals) shall be of no evidentiary value
24 whatsoever in any proceedings.

25 7. This Stipulation shall be binding on the Parties and each of their successors in
26 interest.

1 8. This Stipulation shall constitute the entire agreement and understanding of the Parties
2 relating to the subject matter hereof and supersedes all prior agreements and understandings relating
3 to the subject matter hereof.

4 9. This Stipulation may be executed in counterparts, each of which shall be deemed an
5 original but all of which together shall constitute one and the same agreement.

6 10. The Bankruptcy Court shall retain jurisdiction to resolve any disputes or
7 controversies arising from this Stipulation or any Order approving the terms of this Stipulation. For
8 avoidance of doubt, this provision shall not apply to stipulations in the State Court Action as
9 contemplated in Paragraph 5 above.

11 Dated: December 22, 2021

Dated: December 22, 2021

12 KELLER BENVENUTTI KIM LLP

RIBERA LAW FIRM

13 _____
14 /s/ David A. Taylor
 David A. Taylor

/s/ Sandra Ribera Speed
Sandra Ribera Speed

15 Attorneys for Debtors
16 and Reorganized Debtors

Attorneys for Claimants Laura Reilly and
Jason Carlsen

17 Dated: December 22, 2021

18 **THE FA FIRM**

19 _____
20 /s/ Sophia Achermann
 Sophia Achermann

21 Attorneys for Claimants Laura Reilly and
22 Jason Carlsen